



Coffee Industry's Code of Conduct

Does the Fair Trade system work with large plantations?

A: Fair Trade is fundamentally focused on the small farmer, the producer of the great majority of the world's coffee. Therefore, it cannot address all of the social inequities associated with coffee production around the world. As noted earlier, by deliberately excluding plantations from the Fair Trade coffee market, the movement does little to improve the lot of landless farmworkers employed on those estates.

In contrast, in the case of tea and bananas, two largely plantation-grown crops, Fair Traders have developed criteria that address wages, living and working conditions of farmworkers, the right to organize, and even mechanisms for profit-sharing. Fair Trade inspectors report that monitoring and verification of fulfillment of these criteria for large estates are more challenging tasks than with small farmer cooperatives. Nevertheless, Fair Trade labelers made a political decision to engage the large-estate sector in the case of these two commodities. However, there has been contention involving bringing plantation grown coffee into the scene, because of the importance of the issue of land reform.

The Fair Trade coffee market is still too small to support both small farmers and plantations. Presently, less than half the total production volume of the small farmers on the International Fair Trade Register is sold at Fair Trade terms because worldwide demand is still too small to absorb it all. Bringing plantation grown coffee into the Fair Trade market would further dilute the position of the small holders. Therefore, any discussion of opening Fair Trade markets to estate owners (and farmworkers) should be postponed until the market grows large enough to absorb them without undermining the position of the small farmer cooperatives.

Is there a Code of Conduct for the treatment of workers on large plantations?

A: In lieu of developing Fair Trade criteria for plantation grown coffee, some Fair Trade leaders in Europe are promoting the development of a Code of Conduct to address the industry's sourcing practices and, in particular, the issues of wages and working conditions on large coffee estates. In July 1999, the European Fair Trade Association issued an open invitation to consumer and religious organizations across Europe to join them in a campaign to pressure the European Coffee Federation to implement a Code of Conduct or "Guidelines for Ethical Trading". A television documentary exploring the deplorable conditions on Guatemalan coffee estates sparked a massive response to this invitation. The European Coffee Federation, representing the large European roasters and importers, responded by discussing the subject of responsible business in their 1999 annual meeting. Global Exchange has agreed to be the US partner in this international effort, and is looking for other labor advocates interested in participating in this effort.

So far, the only effort in this direction in the U.S. has been Starbucks' 1995 Framework for action for sourcing coffee in Guatemala, which it only half-heartedly implemented after consumer pressure (coordinated by the US/Guatemala Labor Exchange, now US/LEAP) was applied. Global Exchange is maintaining pressure on Starbucks, demanding that they implement their Framework for Action plan. The rest of the U.S. coffee industry has yet to seriously look at Sourcing Guidelines or a Code of Conduct that effectively addresses the issues of wages, working conditions and organizing rights on plantations.